



The Associated Sheet Metal & Roofing Contractors of Connecticut

Various bills amending prevailing wage requirements

Labor and Public Employees Committee

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The Associated Sheet Metal & Roofing Contractors of Connecticut is an association of commercial, industrial and residential sheet metal contractors and roofing contractors employing the skilled craftsmen of Locals #40 and #38 of the Sheet Metal, Air, Rail, and Transportation Workers International Union and also Locals #9 and #12 of the United Union of Roofers, Waterproofers, and Allied Workers. ASMRCC seeks to provide services that will enhance members' businesses, markets and profitability in all sectors of the unionized sheet metal and roofing industry in Connecticut and vicinity.

More than 25 bills have been introduced in the legislature this session and consolidated for tonight's public hearing that would change prevailing wage requirements on municipal construction projects. The bills range from House Bill 5209, which would eliminate any requirement for contractors and subcontractors working on public works projects to abide by prevailing wage standards; and House Bill 5076, which would impose a three-year moratorium on application of prevailing wage rates to municipal school and transportation projects; to House Bill 5510, which would increase threshold amounts to \$1 million for new construction and renovation and index the threshold to inflation.

While cities and towns may claim that the current prevailing wage requirements are a significant cost driver and burden to their local budgets, this viewpoint ignores the full range of implications for construction companies, worker training, safety, and the broader impact of economic development.

As an example, workers' wages make up only roughly a third of the cost of a project. Also, construction workers in states with prevailing wage laws contribute more federal, state, and local taxes. Alternatively, when prevailing wage laws are weakened or diminished, more subsidized program assistance is necessary, including housing, energy, healthcare, food stamps, and Earned Income Tax Credit. Also, any increase in wages for prevailing wage projects is easily offset by greater productivity, better technologies, and safer working conditions.

Prevailing wage laws generally require workers on public works construction projects to receive the same wage and fringe benefits that are customarily paid for the same work in the project's town. Thus, if a sheet metal worker on a private-sector job in a particular town customarily receives \$75 an hour in wages and benefits, a prevailing wage law would require a sheet metal worker on a public works construction project in the same town to be paid the same rate. The public policy is to keep government's use of low bid contracting from significantly reducing the

market price of labor by establishing a standardized pay rate for these workers. This contributes to a fair and competitive bidding process for public construction.

The state should retain the current prevailing wage thresholds in order to help cities and towns maintain a capable, well-trained and ready workforce. Workers paid the prevailing rate are better trained in construction safety and regulatory requirements. Many such construction workers are able to have access to health insurance and a secure retirement while providing for their families. Contractors that pay the prevailing wage rate on such projects are more reliable, accountable and safer.

For additional information or any questions concerning prevailing wage legislation, please contact Michael Thompson, Executive Director of ASMRCC, at (860) 413-3188.